

REPORT
OF
THE WORKING GROUP ON THE
FINANCIAL RESOURCES
SET UP BY THE
APEX COMMITTEE
ON
INTERNATIONAL DRINKING WATER SUPPLY
AND SANITATION DECADE
1981—90

GOVERNMENT OF INDIA
MINISTRY OF WORKS & HOUSING

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REPORT OF THE WORKING GROUP ON FINANCIAL RESOURCES SET UP BY THE APEX COMMITTEE ON INTERNATIONAL DRINK- ING WATER SUPPLY AND SANITATION DECADE, 1981—90.

Introduction

A clean living environment calls for a proper management of water supply and sewage disposal. The United Nations Conference on Human Settlements (HABITAT) held in 1976, recommended that safe water supply and hygienic waste disposal should receive priority from Governments and International agencies and a global target of serving all the population by 1990 was set. The aforesaid objectives were later reiterated in the United Nations Water Conference held at Mar—del—Plata, Argentina, in March, 1977. It was decided during the aforesaid Conference that the decade 1981—90 would be designated as the "International Drinking Water Supply and Sanitation Decade" and during the decade the global goal of access of safe water and sanitation for all by 1990 should be promoted by acceleration of plans and programmes by member-countries. The Conference also recommended closer collaboration among the organisations of the United Nations system and increased technical and financial cooperation from external bilateral and multi-lateral agencies in support of the Decade goals. The Thirty-first U.N. General Assembly which met later in 1977, endorsed the recommendations of the Water Conference. India was duly represented in all the above-mentioned Conferences and as a signatory to the Resolution, has pledged its full support to the action plan under the International Decade.

The Government of India, in collaboration with the World Health Organisation, had organised a Workshop and Conferences of the Chief Engineers (Public Health) of the various State Governments. A rough assessment of the projected requirement of funds for the Decade was also made. A Conference of Chief Engineers (Public Health) was also held in Trivandrum in February 1980 wherein the preparatory actions for International Decade as well as requirement of materials and manpower for the Decade Programme were discussed. Recognising the need for a coordinated approach to fulfil the targets and to guide future action, the Government of India set up an Apex Committee under the Chairmanship of Secretary, Ministry of Works and Housing. The Apex Committee is responsible for national policy formulation as well as guidance and overview of the programmes to be initiated to achieve the objectives of the International Decade.

2. The Apex Committee on International Drinking Water Supply and Sanitation Decade in its second meeting constituted three Working Groups on (1) Financial Resources; (2) Materials requirements; and (3) Programme and Manpower in order to assist the Committee in assessing total Decade needs for effective implementation of the programme.

The composition of the Working Group on Financial Resources, as approved by the Committee, is as follows:—

1. Shri Baldev Singh, Adviser, Planning Commission —Chairman
2. Representative of the Health and Family Welfare Ministry —Member
3. Representative of Department of Expenditure, Ministry of Finance —Member
4. Representative of Department of Economic Affairs, Ministry of Finance —Member

5. Representative of the Ministry of Rural Reconstruction —Member
6. Finance or Planning Secretary, Government of Maharashtra —Member
7. Finance or Planning Secretary, Government of West Bengal. —Member
8. Finance or Planning Secretary, Government of Punjab —Member
9. Secretary, Panchayat Raj Department, Government of Andhra Pradesh —Member
10. Shri V. Venugopalan, Deputy Adviser (PHE), Ministry of Works and Housing —Member-Secretary.

Terms of
Reference.

3. The Working Group has been requested to follow the following Terms of Reference:—

To assess the resources available for implementation of the International Drinking Water Supply and Sanitation Decade Programme in the country during the Sixth Plan period and to estimate the resources expected to be available during the remaining period of the Decade from all resources including:

- (i) Related programme of the Centre and the States (including U.T.s);
- (ii) Expected and possible resources which could be generated by local bodies through optimum exercise of their existing powers;
- (iii) External assistance—the possibility of treating such assistance as total additionality to Plan resources should also be explored; and
- (iv) Loans through institutions like LIC, HUDCO, Commercial Banks, etc.

Cooption
of Members.

4. The Working Group in its first meeting held on 13-1-1981 felt that there is scope for linking the Water Supply Programmes with the Programmes of the Irrigation Sector as many of the minor and medium irrigation projects can help implementation of the water supply projects. Accordingly, it was decided to coopt one representative from Ministry of Irrigation. A member from Ministry of Education was also coopted.

4.1. The Working Group met on 13-1-1981, 2-2-1981, 16-2-1981, 16-6-1981 and 21-7-1981, and held discussions on various issues, such as Sixth Plan outlay for the Sector, availability of funds through external assistance, from State Governments, L.I.C., Commercial Banks, and from contribution by local bodies and beneficiaries. It was also discussed as to how the core sector projects, such as Irrigation and Power, can be linked up with water supply projects to make the Decade Programme a success. The Group also discussed as to how the Ministries, such as Rural Reconstruction, Health and Family Welfare can participate in the Decade Programme, assessment of funds that could be provided after 1985 and what amount of funds from non-conventional sources could be obtained to achieve the goals of the programme.

Present and
proposed
levels of
coverage.

5. Upto end March, 1981 (based on the projected population of 1981) 69% of the urban population was provided with safe drinking water facilities whereas the coverage of rural population with reasonable access to safe drinking water supply was only 31%. Turning towards the urban sanitation, the coverage through sewerage and other safe excreta disposal methods was only 27% and in rural sanitation, it was as low as 0.5%. Knowing the present low level of coverages, particularly in the area of sanitation, and the large gap to be covered, the

Apex Committee decided to fix the following targets for the decade to be achieved by March, 1991:—

| | Coverage | Standard of service |
|-----------------------------|---|---|
| 1. Urban Water Supply . . . | 100% | 140 litres per capita per day. |
| 2. Rural Water Supply . . . | 100% | 30% of the population will be benefitted by piped water supply at the rate of 40 litres per capita per day. In the case of remaining population, supplies will be through spot sources such as sanitary dug well, tubewell with hand pump or power pump. One spot source of this type is proposed to be provided to a population of 250—300. Additional sources have been planned for larger populations. |
| 3. Urban Sanitation . . . | Class I cities 100% with sewerage and treatment. (Overall 80% with sewerage and low cost methods of disposal). | |
| 4. Rural Sanitation . . . | 25% with low cost sanitary methods of disposal. | |

5.1 In view of the stupendous magnitude of the task ahead in achieving the above mentioned targets, lower unit costs and standards of service have been accepted. An essential requirement to attain these goals is the need for an increased rate of mobilisation of local community participation and external resources.

5.1.1. The total requirement of funds projected by the States for the implementation of the above mentioned Decade Programme will be of the order of Rs. 14,500 crores to cover the target population by March 1991. Sectorwise break-up of the figures is as follows:

| | (Rs. in crores) |
|---------------------------------|-----------------|
| 1. Urban Water Supply | 3,280 |
| 2. Rural Water Supply | 6,779 |
| 3. Urban Sanitation | 3,685 |
| 4. Rural Sanitation | 744 |

Total — 14,488

5.1.2 To the aforesaid outlay of Rs. 14,488 crores, an amount of Rs. 512 crores may have to be added to take care of the operation, main-

tenance component during the decade period. With this, the total outlay for the decade works out to Rs. 15,000 crores.

5.2 During the Sixth Plan, the Water Supply and Sanitation Sector gets a share of Rs. 3,907 crores (as detailed in the table below), which is around 4.02 % of the total Sixth Plan outlay and around 6.58% of the States Sector outlay.

| Scheme | Allocation of funds (Rs. in crores) |
|---|--|
| <i>1. States/U.T</i> | |
| (a) Rural Water Supply and Sanitation | 1,554.24 (of which MNP is 1407.11) |
| (b) Urban Water Supply and Sanitation | 1,753.56 |
| Total State Plan | 3,307.80 |
| 2. Centrally Sponsored Scheme, Accelerated Rural Water Supply Programme | 600.00 |
| Grand Total | 3,907.80 |

The State-wise break-up of outlays is indicated in Annexure I.

5.2.1. As against the requirement of funds for the Decade Programme amounting to Rs. 15,000 crores, the provision during the Sixth Five Year Plan is Rs. 3,907 crores. Assuming that this provision may be doubled in the Seventh Five Year Plan and a provision of around Rs. 1,500 crores is made in the first year of the Eighth Five Year Plan there will still be a gap of about Rs. 1,300 crores. This estimate is based on 1980 prices. Escalation in costs is bound to increase this gap still further. If the targets of the Decade Programme have to be achieved, we will have to find ways to bridge this gap in resources.

The measures which were considered by the Working Group for mobilising/locating additional resources are indicated in the following paragraphs along with the recommendations of the Group.

6. Protected drinking water is a basic human need and essential to health. However, upto the end of March, 1981 we have been able to provide safe drinking water only to 39 per cent of our population. For the remaining 61 per cent (40.84 crores) of our population based on the projected population of 1981, this basic need is still to be fulfilled. Unfortunately, adequate priority has not been given to this programme during the earlier plans and the provision of funds has not taken into account the big leeway that has to be made up. Even in the Sixth Five Year Plan only 4.02% of the Plan allocations have been provided for this vital sector. Annexure I gives the Statewise break-up of Sixth Plan outlays for the Sector. When we consider the W.H.O. estimate that 80 per cent of all sickness and disease in the world is attributable to contaminated water, we can imagine the importance of the supply of safe drinking water and sanitation for the health of our people.

Higher
Plan
allocation

6.1. The Working Group, therefore, strongly felt that higher priority needs to be given to programmes under this sector and the Plan provisions need to be stepped up in future to provide adequate resources to achieve the targets of the Decade programme. As a percentage of total Plan outlays the Group recommends that the provision may be stepped up to a minimum 6% of the total Plan outlays during the Seventh and Eighth Plans. Considering the escalation in costs which is bound to occur, even these provisions will not be able to meet the requirements of funds in full, though it will do so substantially.

6.2 Reallocation within existing MNP

In addition to higher priority in overall plan allocations, the Working Group felt that there was a need to review the allocations made to various items in the Minimum Needs Programme. A higher priority and providing larger funds to this vital sector within the existing MNP is called for. If funds provided for some items are not utilised, the water supply sector should be allocated all the savings in other items of M.N.P. The Working Group, therefore, recommends that the Planning Commission may be requested to reallocate the priorities within the Minimum Needs Programme and upgrade the water supply and sanitation sector, so that more funds are made available to this vital sector in the remaining three years of the Sixth Five Year Plan and also in the Seventh and Eighth Five Year Plans in future in order to achieve the targets of the Decade Programme successfully.

6.3. While recommending this, Group is conscious of the difficulties that the States may face in raising additional resources. Therefore, it recommends that two-thirds of the additional outlays should be provided in the Central sector and the rest in the State sector. Since Central assistance is provided only in the shape of ARP, the additional outlays may be provided as an augmentation to the existing provisions for A.R.P. With such an increased provision it may be possible to achieve the Sixth Year Plan targets of providing access to safe drinking water to the rural population by the end of the Plan period.

7. SUGGESTIONS FOR THE STATES

7.1. Safe drinking water is a manufactured commodity. In providing for large and expanding urban and rural populations, resources have to be found not only for capital investment but also for maintenance and operational costs and depreciation charges. Since the programme is implemented entirely in the State sector, the State Governments will have to take up effective and innovative measures for raising additional resources for achieving the targets of the International Water Supply and Sanitation Decade.

States to take innovative measures.

7.2. In its 38th Report, the Estimates Committee of the Parliament for the year 1972-73, *inter alia*, observed:

Resources from local bodies and fixing economic water rates.

"Though the cost of water supply has been steadily rising consequent to the rising capital investments for setting up new high cost projects and for augmenting existing water supply systems, there has been a general reluctance on the part of local bodies to raise correspondingly the water charges with a view to make the water supply schemes viable."

The Committee was of the opinion that setting up of Water and Sewerage Boards might help in finding a satisfactory solution to the whole problem of financing and management of the water and sewerage works. Based on these recommendations, the Central Government had in July 1976 commended to the State Governments setting up of such Boards at State level. As a sequel to this, Statutory Boards have been set up in six States. Not all Boards have however, been empowered to fix water rates. Hence, one of the main objectives in setting up of these Boards, namely, to fix water rates on a commercial basis, has not been fully achieved. In some States like

Rajasthan and partly in Madhya Pradesh, the State Government Departments are directly undertaking the construction, maintenance and operation of the water supply schemes and are also fixing water rates and effecting recoveries.

7.2.1. Due to local pressures the municipal/local bodies are hesitant in raising water rates. However, these bodies have to be persuaded to accept the concept of selling water as a commercial commodity based on its cost of production and the management of the service. In fact, reserve funds will have to be created for the renewal and replacement of the water supply schemes in addition to their current operational costs. It has, therefore, to be impressed upon the State Governments and through them the local bodies to ensure that water rates are so fixed that they not only ensure repayment of loans with interest and recovery of operational and maintenance costs, but also provide for building up a reserve fund for renewal and replacement. It will be for the State Governments to ensure that water rates are raised and fixed at appropriate levels by the municipal bodies, the Water Supply & Sewerage Boards, wherever such Boards exist or by the concerned Government Departments themselves.

7.2.2. Urban schemes, in most cases, also provide water for industrial and commercial needs. A higher water rate from such consumers should be charged to ensure that water supply schemes become commercially viable. In areas of large industrial and commercial consumption it should be possible to generate surpluses which can be diverted to cross-subsidise urban sewerage schemes and even rural water supply schemes.

7.2.3. In addition, in many cases large arrears, have accumulated on account of water taxes. The municipal bodies have been reluctant to take effective coercive steps to recover the arrears. In such cases the State/U.T. Governments will have to undertake a time-bound programme of recovery of arrears and ensure that the concerned municipal authorities launch vigorous recovery drives to recover all arrears within the period of a year or so.

7.2.4. A suggestion was made that in view of the fact that the provision of public utilities enhances capital values of urban lands and properties, there is justification for the Government to take a share in the increased income from these properties by levying a betterment charge. This proposal, however, has to be examined in the light of the fact that due to the legal provisions regarding rent control, the owners of properties are not able to raise rents. Similarly, the advantage of price increase of urban lands and properties will be available to the owners only at the time of sale. To some extent, Government takes a share in the higher sale prices through registration charges which are levied as a percentage of the sale price. Even though Government or the development authorities may not be able to take full advantage from the sharp increases in urban land and property values, a universal imposition of a betterment levy would cause hardship to all owners of existing properties particularly those of self-occupied properties. Moreover, if the principle of fixing water rates on a commercial basis is firmly accepted, the urban consumers will have to pay at a much higher rate. Such higher charges can be imposed with greater justification and more convincingly and have a lesser chance of being opposed and resisted than a general betterment levy on all urban lands and properties. If the pressure of public opinion comes in the way of increasing water rates to economic levels, such pressure is likely to be much greater if a general betterment levy is imposed. The emphasis, therefore, should be on firmly establishing the principle that the urban water supply schemes should be self-financing. In view of this, the suggestion for a betterment levy on urban properties was not finally agreed to.

7.3. Funds amounting to more than Rs. 7500 crores will be required for implementing water supply and sanitation schemes in the rural areas during the Decade period, the main share going to the water supply schemes. According to the experience so far, a contribution from the Gram Panchayats and/or the local communities for financing rural water supply schemes has been very small indeed. Although in the financing pattern for these schemes, State Governments have made stipulations of contributions of varying percentages of the cost, the availability of funds from this source is not likely to be of any significant order. Special purpose Cess.

7.3.1. Measures calculated to mobilise resources generally for the development plans will not be able to earmark adequate finance for the ambitious targets of the Decade programme. The State Governments will have to consider unorthodox and innovative measures to mobilise additional resources to be earmarked specifically for the programme in this vital sector. Instances do exist where the States have levied special purpose cesses to finance specific programmes of importance, such as the Employment Guarantee Scheme of the Maharashtra State Government and schemes in the fields of education in some other States.

7.3.2. The Working Group is of the view that the State Governments will have to think in terms of levying a Special Purpose Cess for water supply and sanitation schemes. The cess could be levied as a surcharge on one or more of the existing taxes of the Government according to its choice such as land revenue, sales-tax, passenger tax, motor vehicles tax etc. The revenue collected from this Special Purpose Cess will naturally have to be earmarked exclusively for the implementation of water supply and sanitation schemes, mainly in the rural areas. From the point of view of availability of an established system and the convenience of collection through the existing administrative machinery, the cess could be levied on land revenue. A graded scale under which those having larger holdings will be required to pay at a progressively higher rate is suggested in the statement attached as Annexure II. Under this proposal, all land-holders will be required to pay as a percentage of the land revenue payable by them, the rural rich will be required to pay more than the farmers having small or marginal holdings but the highest rate suggested is limited to twice the amount of land revenue. Considering that the rates of land revenue have not been revised for long, this rate should not be considered as excessive. The annual yield expected from a cess levied on land revenue at the suggested rates would be about Rs. 230 crores. During the remaining years of the Decade programme the resource available from this measure can approximately be Rs. 2,000 crores.

7.3.3. Similarly, the State Govts. could consider levying a surcharge on sales-tax or on any of the other taxes. Even a small percentage of surcharge on sales-tax is likely to yield sizable revenue to finance the water supply and sanitation schemes. The choice, however, is with the State Governments to adopt a measure which is more acceptable and convenient to administrator without extra administrative costs.

7.4. The pattern of financing the urban water supply schemes differs from State to State. As per the details available with the Working Group, the local authorities are required to contribute a percentage of the capital cost of the water supply and sanitation projects as given in Annexure IV. The rest of the funds are provided from grant-in-aid/loan by the State Government and loans by the LIC. The element of subsidy is decided by the State Governments keeping in view the resources and capabilities of the concerned local bodies. To persuade the local bodies to mobilise resources to the maximum extent, stipulation of a minimum contribution from their resources appears necessary. Such minimum contribution may vary between 10 to 25 per cent depending upon the nature of the scheme, the size of the local body and its resource position. If the State Governments are persuaded to adopt this pattern, it may be Financing Pattern in Urban Schemes.

possible to provide substantial funds from the resources of the local bodies for the implementation of the Decade programme for urban water supply and urban sewerage schemes. In order to improve the resources of the local bodies, the Group is of the opinion that wherever a separate agency has been created or entrusted with the responsibility of arranging water supply and collecting water taxes from big industrial complexes, it is better to merge it with the regular system to enable it to reap the benefits of better revenue returns.

Financial
Pattern of
Rural
Schemes.

7.5. In the case of rural water supply schemes the element of grant-in-aid provided by the State Governments is much higher than for urban water supply schemes. The grant-in-aid ranges from 100 per cent in Gujarat, 90 per cent in Maharashtra, 75 per cent in Kerala to 50 per cent or more, depending on the size of the Gram Panchayat in Andhra Pradesh. The requirement of funds for the Decade programme for rural water supply and rural sanitation is over Rs. 7500 crores. In view of the large requirement of funds it would be necessary to mobilise local community participation on a significant scale. The State Government of Andhra Pradesh have stipulated the rate of contribution by the people/Gram Panchayats in the range of 15-50 per cent of the cost of the scheme depending upon the gross income of the Gram Panchayat from Rs. 4000 to Rs. 1 lakh per annum. The Group was of the view that local participation on the same pattern may be adopted by the other States. In areas where there are no sources of water supply within easy access or the water is contaminated, it should not be difficult to persuade the local population to contribute for the provision of the facility of safe drinking water. Even if local contribution is stipulated at a slightly lower level than the Andhra Pradesh pattern of financing, it should be possible to find a resource of between Rs. 700 to Rs. 1000 crores from the local communities/Gram Panchayats during the Decade 1981-90 on the assumption that on an average 10 to 15 per cent of the total estimated cost of Rs. 6780 crores will be forthcoming from the local bodies/Gram Panchayats.

More Eco-
nomical
Options.

7.6. Urban sewerage schemes are more expensive to construct and maintain and the revenue return from these schemes is lower than from the Water Supply schemes. The Group is of the view that it may not be possible to cover 100 per cent population in Class-I cities with full sewerage and sewage treatment facilities due to the enormous funds requirement towards the capital cost as well as the cost of maintenance. The revenue return from these schemes is also lower than that from the water supply schemes, and, therefore, the local bodies are also very much reluctant to undertake these schemes and to levy taxes for the recovery of their maintenance and operational costs. Looking to the limited financial resources, therefore, it is suggested that Class-I cities with population above 5 lakhs may alone be provided with full sewerage and sewage treatment facilities and the rest may be provided with low cost sanitary disposal methods such as water seal latrines connected to septic tanks/soak pits during the Decade period.

7.6.1. Similarly, piped water supply schemes in the rural areas are also likely to be expensive and the Gram Panchayats will generally not have adequate resources to bear the capital cost. Piped water supply should be adopted only as the last alternative in the rural areas and only when the local community is prepared to contribute at least 25 per cent of the capital cost. The schemes in both these categories will require cross subsidisation from the income of the urban water supply schemes or directly from the State Governments.

Drinking
Water Supply
Schemes as an
integral part
of irrigation
schemes

7.7 One of the sources which has not so far been adequately tapped for providing drinking water to the villages is the reservoirs, canal systems and tubewells being constructed under major and medium irrigation projects. In view of the inadequate resources available for water supply schemes, the Group felt that such schemes could form an integral part of irrigation schemes. In fact, the Government of Andhra Pra-

desh have recently recognised this position and have issued an order on 21-1-1981 that the villages near the impoundments of major and medium irrigation projects and those situated on the banks of irrigation canals should be provided with safe drinking water from these canals free of cost as the Gram Panchayats are generally without sufficient financial resources to take up such developmental activities. The Group, therefore, recommends utilisation of water sources created by major and medium irrigation schemes for drinking water supply schemes wherever feasible from the point of view of location of the beneficiary villages. Where the requirements of a water supply scheme are small, feeding them from irrigation tubewells could also be considered looking to the local situation. Where the cost of such schemes is not substantial, they could be constructed by the Irrigation Departments and handed over to the Panchayats or local bodies for operation and maintenance free of cost. Where the volume of water required is large and the scheme is more expensive, the State Governments could consider suitable arrangements under which a charge could be levied by the irrigation authorities to drinking water supply schemes. The State Governments could be requested to direct their Irrigation Department authorities to keep this aspect in view in formulating all irrigation projects and provide for drinking water supply schemes as an integral part of the projects wherever feasible.

7.8. As regards the possibility of extending the NREP (National Rural Employment Programme) for providing water supply and sanitation facilities in rural areas, the Group discussed the issue at length and expressed the opinion that though the said programme is basically meant for generation of additional gainful employment for the unemployed and under-employed persons and also for creation of durable community assets such as roads, etc., it should be possible to provide work under this programme also on digging open wells or construction of water supply schemes wherever such schemes are necessary and feasible. Even if the labour content of these schemes is limited, it would be advisable to request the States/U.T.s to formulate water supply schemes also along with other schemes taken up under NREP and the Employment Guarantee Scheme wherever it is in operation.

Water
Supply
Schemes
through
Employment
Programme

8. According to the current practice, 70 per cent of the external assistance received from the World Bank or other bilateral donors is passed on to the States as additionality to their plans. Statement at Annexure III gives details of projects receiving external aid. The question of passing of 100 per cent additionality was discussed in the Working Group but the consensus was that the Working Group was not the proper forum for raising this general policy question. However, the Group felt that during the currency of the Decade Programme from 1981 to 1990 the 70 per cent additionality passed on to the States/U.T.s may be earmarked specifically for the water supply and sanitation projects for which it is provided. This will ensure that the external assistance available for schemes under this sector is not diverted to other sectors.

External
Assistance

8.1. The UN Agencies headed by the UNDP have held several discussions with the donor agencies who have expressed a keen desire to assist the member-nations in achieving the targets set under the International Drinking Water Supply and Sanitation Decade Programme. Since there is no sector-wise earmarking of external assistance received by the Government of India and provision of funds was on the basis of approved projects, the Group felt that the State Governments may be asked to prepare a shelf of projects which can be posed to external agencies for provision of credit assistance. Projects currently under implementation and those in the pipe line along with the approximate financial estimates are indicated in the statement attached as Annexure III.

L.I.C.

9. The L.I.C. provides loans upto a maximum of two-third of the project cost for the first one crore of the cost of the scheme, 50 per cent for the next one crore, 40 per cent for the next three crores and 25 per cent of the cost in excess of five crores. Under this broad pattern of assistance the LIC has made substantial funds available for the water supply and sanitation sector. But considering the large size of the Decade programme a substantial step up in the provision of funds from the LIC will be necessary for funding the schemes in this sector.

9.1. At the time of the formulation of the Sixth Five Year Plan the LIC had indicated the availability of resources during the Plan period, which have been taken into account. However, the LIC being the major source of finance for implementation of these schemes, the Group was of the view that the provision of funds by the LIC should be stepped up by 15—20 per cent every year by internal re-allocation and also taking into account the likely increase in its business and availability of larger investible resources. The funds provided by the LIC during the past three years are as follows:

| | | |
|---------|----|-----------------|
| 1979-80 | .. | Rs. 50 crores |
| 1980-81 | .. | Rs. 79.6 crores |
| 1981-82 | .. | Rs. 85 crores |

9.2. In view of the high priority and international commitments relating to the Decade programme, the LIC may be persuaded to earmark at least 8 per cent of their investible funds for the Water Supply and Sanitation sector in comparison to the current amount of 6 to 7 per cent.

Income-tax
relief
for contribu-
ting to Water
supply and
sanitation
Schemes

10. As an incentive to companies/cooperative societies to undertake programmes of rural development, Sections 35CC and 35CCA have been introduced in the Income-Tax Act. Expenditure incurred on rural development programmes in the defined "rural areas" with the prior approval of the schemes by the "prescribed authority" is allowed 100 per cent exemption from income tax. The "illustrative though not exhaustive" list of projects that can be taken up include the following items:—

Item 5: (a) Construction, and (b) maintenance of rural link roads, drinking water projects which may include construction of wells and tubewells.

Item 6: (a) Construction, and (b) maintenance of village streets, pavements and drainage and cleaning of drinking wells and ponds.

The concession will be available to the companies/cooperative societies/institutions/associations which have been approved by the "prescribed authority" for undertaking the construction of water supply and drainage schemes in the "rural areas".

The Ministry of Finance, Department of Revenue, Circular No. 244 dated 13th July 1978, contains the guidelines for approval of associations/institutions carrying out rural development programmes. Para 5(ii) lists these associations/institutions and clause (d) defines one such as "a Corporation established by or under a Central/State or Provincial Act".

In the list of works which have so far been approved by the prescribed authority, there are some water supply schemes also included, such as the construction of a water pump house in Tehsil Jahazpur in Rajasthan by the Delhi Cloth and General Mills Co. Ltd. Similarly, M/s. Hindustan Levers have undertaken a scheme of improved water supply, sanitation and hygiene in a village in Etah District in Uttar Pradesh and sinking of 24 tubewells in Monia Kalaghat Taluka of Midnapur District in West Bengal.

10.1. However, companies/cooperative societies intending to undertake these works may not have the necessary expertise or the staff. The Water Supply and Sewerage Boards set up in several States is an appropriate

agency through which such works of rural development can be taken up. These Boards have exclusively been set up for implementation of water supply and sewerage schemes and their maintenance and in some cases these bodies are also fixing rates and making recoveries. It should, therefore, be possible to seek approval of the prescribed authority for these Boards to be appropriate institutions for undertaking these programmes of rural development and get the benefit of the provisions of Sections 35CC and 35CCA.

10.2. The Group, therefore, recommends that the Secretary, Ministry of Works and Housing should be included as a member of the "prescribed authority" in the Rules called the Income-Tax (Fourth Amendment) Rules 1977 and that the Water Supply and Sewerage Boards set up under State Statutes to undertake these works of rural development may be included in the list of "approved associations/institutions".

10.3. Provision of drinking water has by tradition been considered a charitable and philanthropic act in our country. There will be a number of individuals, associations, industrial houses and cooperative societies anxious to undertake the construction of water supply schemes, as a charitable act particularly in the difficult and problem villages. In the Group's view this sentiment should be fully exploited, and a campaign should be organised so that among the programmes for rural development, the programme for water supply and sanitation should be duly highlighted. Legal impediments, if any, in the way of specialised agencies, particularly the Water Supply and Sewerage Boards undertaking these programmes for implementation and taking advantage of income-tax exemption, should be removed.

11. For the implementation of water supply and sanitation projects credit support is available at present mainly from the State Governments and the LIC. In some projects external assistance is available from the World Bank and bilateral donors, which is routed through the Central Government. Other financial institutions and commercial banks are providing very little credit support for these projects. No organised attempt has so far been made to tap this source of credit. A new Financing Institution

11.1. Moreover in availing credit, the effort is mainly left to the Municipal Corporations or the State Governments who have to canvass support for individual projects. There is no central institution and no established system set up to provide coordination regulation, guidance and monitoring services relating to the flow of credit to the water supply and sanitation sectors parallel to those existing in the case of credit for agricultural development (ARDC), Rural Electrification (REC) or Housing and Urban Development (HUDCO) etc.

11.2. The Group, therefore, strongly felt that to streamline the institutional arrangements for financing of water supply and sewerage schemes, it would be advisable to set up a national level institution on the lines of HUDCO or REC. Such an institution could have an authorised capital of around Rs. 50 crores and issued capital of around Rs. 20 crores to be contributed by Government and other financial institutions including commercial banks. The new institution could be empowered to raise loans from LIC, GIC, and other financial institutions and commercial banks and raise funds from the open market by issue of debentures etc. This institution could serve as a vehicle at the national level for routing of funds from the Government of India, LIC, etc. and external sources to the organisations implementing water supply and sewerage schemes. The creation of an apex level institution will help to coordinate the financial arrangements and greatly facilitate the flow of credit to the agencies implementing water supply and sewerage schemes. Since the operations of this institution will be aimed at commercial viability, it will also help to bring about a measure of financial discipline and focus greater attention on economic viability of the

projects. Like the ARDC, the institution could also provide technical guidance and bring about an improvement in the formulation and execution of the projects. The size of the Decade Programme is so large that a separate national level institution will be fully justified. It will provide a focus and fillip for the implementation of water supply and sanitation programmes.

Conclusions

12. In earlier parts of the Report (para 5.1.2 and 5.2.1) the requirement of funds for the Decade Programme have been assessed at Rs. 15,000 crores. On the basis of the recommendations contained in the other parts of the Report the availability of resources to finance the Decade Programme may be estimated below:—

| | (Rs. in crores) |
|---|------------------|
| 1. Provision in the Sixth Five Year Plan .. | 3,907.80 |
| 2. Provision in the 7th Five Year Plan .. | 8,000.00 |
| 3. Provision in the first year of the 8th Five Year Plan .. | 1,500.00* |
| 4. Additional Resources from L.I.C. .. | 150.00** |
| 5. Special Purpose Cess .. | 2,000.00 |
| Total .. | 15,557.80 |

*The provision has been quantified on the basis that (i) the Plan size will increase and (ii) that a minimum of 6 per cent of the total Plan outlays will be provided for water supply and sanitation sector..

**On the assumption that additional 15 crores per annum will be made available.

12.1. In addition to the above a re-allocation of priorities within the Minimum Needs Programme, higher provisions under ARP, fixing of economic rates in urban areas, and stipulation of a minimum contribution from the Municipal Corporations and other local bodies have also been suggested. Some water supply schemes could be taken up as an integral part of irrigation projects and through programmes like NREP and I.R.D. These measures are likely to make available some additional resources. The Working Group, therefore, hoped that if the recommended measures are adopted, it will be possible to find adequate resources for the implementation of the programmes under the International Drinking Water Supply and Sanitation Decade.

12.2. One of the sources of funds for water supply schemes for which data is not available, is the advance Plan assistance given to this sector in areas affected by drought. Sizable funds are provided to several States which were affected by drought or may be so affected hereafter and sources of water supply are developed from such funds. From this source naturally, villages which would be included in the list of problem villages, are likely to be covered. If data is collected and allowance is made for this source, the size of the problem and consequently the requirement of funds may be proportionately reduced. Since, however, data was not available readily it was not possible to quantify the benefit accruing to this sector from this source.

Recommendations

13.1. The Plan outlays for the Water Supply and Sanitation sector may be stepped up from 4 per cent in the Sixth Five Year Plan to a minimum of 6 per cent of the total Plan outlay during the Seventh and Eighth Five Year Plans.

13.2. The Planning Commission may be requested to re-allocate the priorities of Minimum Needs Programme in various sectors and upgrade Water Supply and Sanitation Sector so that more funds are made avail-

able henceforth, particularly during the Decade period. Two-thirds of the additional outlays may be provided in the Central Sector as an augmentation of the Accelerated Rural Water Supply programme.

13.3. The State Governments may be urged to see that water rates are so fixed that they ensure repayment of loans with interest as well as recovery of operation and maintenance cost and provision for building up of a reserve fund. Surpluses from urban water schemes or from supplies made for industrial and commercial purposes should be utilised as cross subsidy to sewerage schemes and rural water supply schemes.

13.4. Active participation of the urban local bodies should be secured. A minimum contribution of 10 to 25 per cent of capital cost may be taken from the urban local bodies, depending on the size of the local body and its resources.

13.5. In the case of Rural Water Supply Schemes, the State Governments should stipulate a minimum contribution by the people/Gram Panchayats amounting to 10 per cent of the cost of the scheme. This contribution could be substantially raised in suitable cases depending upon the people's response and the resources of the Gram Panchayat concerned.

13.6. The State Governments should try innovative methods of raising resources for water supply and sewerage schemes during the Decade Programme. They should consider imposing of a special purpose cess as a surcharge on selected taxes like land revenue, sales-tax, passenger tax, motor vehicle tax etc., which should be exclusively utilised for water supply and sanitation schemes.

13.7. All major and medium irrigation projects should include drinking water supply requirements of the areas served by them, as an integral part of the projects. Where the requirement of water is small for rural communities, it should be provided free of cost. In other cases costs could be suitably apportioned. Except in the case of very large urban projects, the charges of water supplied for drinking purposes should not exceed the rates at which water is supplied for irrigation.

13.8. Wherever feasible, water supply schemes may be taken up under the Employment Guarantee Scheme and the NREP.

13.9. The State Governments may be asked to prepare a shelf of projects which can be posed to external agencies for provision of credit assistance during the decade programme. Funds passed on to the States from external sources may be exclusively used for the earmarked sectors.

13.10. The L.I.C. should be persuaded to earmark at least 8 per cent of their investible funds for water supply and sanitation sector in comparison to the current amount of 6 to 7 per cent.

13.11 Secretary, Ministry of Works and Housing, should be included as a Member of the "prescribed authority" in the rules called the "Income Tax (Fourth Amendment) Rules, 1977". Water Supply and Sewerage Boards may be included in the list of "approved association/institution" for undertaking water supply and sanitation schemes in rural areas to enable them to get the benefit of exemption of income-tax under Section 35 CC and 35 CCA.

13.12 A national level refinancing/financing institution should be set up on the lines of HUDCO or REC to serve as the Central agency for the flow and regulation of credit to the water supply and sanitation sectors. The new institution should be empowered to raise loans from the LIC, GIC and financial institutions, commercial banks and raise funds from open markets by issue of debentures etc.

13.13. Data may be collected regarding utilisation of advance plan assistance given in drought affected areas and its utilisation for water supply schemes to assess the benefit to this sector accruing from this source.

Annexure-I

*Sixth Five Year Plan (1980-85)---State Sector
Water Supply and Sanitation Sector Approved Outlay.*

(Rs. crores)

| Sl. No. | States/U.T's | Total | Of which M.N.P |
|------------------------------|----------------------------|---------|----------------|
| 1 | 2 | 3 | 4 |
| 1. | Andhra Pradesh | 203.00 | 95.00 |
| 2. | Assam | 46.55 | 30.00 |
| 3. | Bihar | 100.14 | 75.00 |
| 4. | Gujarat | 150.75 | 65.00 |
| 5. | Haryana | 107.50 | 80.00 |
| 6. | Himachal Pradesh | 50.00 | 35.00 |
| 7. | Jammu & Kashmir | 98.00 | 45.00 |
| 8. | Karnataka | 132.00 | 19.00 |
| 9. | Kerala | 90.50 | 45.00 |
| 10. | Madhya Pradesh | 146.50 | 60.00 |
| 11. | Maharashtra | 654.00 | 230.00 |
| 12. | Manipur | 27.35 | 17.50 |
| 13. | Meghalaya | 44.39 | 19.50 |
| 14. | Nagaland | 16.75 | 11.75 |
| 15. | Orissa | 45.00 | 34.00 |
| 16. | Punjab | 137.94 | 68.00 |
| 17. | Rajasthan | 198.29 | 106.29 |
| 18. | Sikkim | 9.50 | 6.00 |
| 19. | Tamil Nadu | 495.75 | 50.00 |
| 20. | Tripura | 17.27 | 12.00 |
| 21. | Uttar Pradesh | 249.47 | 220.00 |
| 22. | West Bengal | 103.00 | 48.00 |
| Total : All States | | 3123.65 | 1372.04 |

| 1 | 2 | 3 | 4 |
|--|---|---------|---------|
| <i>Union Territories</i> | | | |
| 1. Andaman & Nicobar Islands | | 5.00 | 4.05 |
| 2. Arunachal Pradesh | | 12.77 | 12.77 |
| 3. Chandigarh | | 8.21 | — |
| 4. Dadra & Nagar Haveli | | 0.70 | 0.60 |
| 5. Delhi | | 119.25 | 7.00 |
| 6. Goa, Daman & Diu | | 22.00 | 1.70 |
| 7. Lakshadweep | | 0.22 | 0.13 |
| 8. Mizoram | | 11.00 | 8.00 |
| 9. Pondicherry | | 5.00 | 0.82 |
| Total : Union Territories | | 184.15 | 35.07 |
| Grand Total : | | 3307.80 | 1407.11 |

Note :—(i) Col. No. 3 includes allocation for both urban and rural water supply and sanitation programmes under State Sector.

(ii) Col. No. 4 indicates allocation for rural water supply programme under M.N.P. in State Sector.

ANNEXURE II

Estimated Annual yield from Special Purpose Cess to be levied on land revenue.

| Sl. No. | *Size class of house-hold ownership holding. (in acres) | *Total Estimated area owned (in 000 acres) | Rate as % of land revenue | Rate Rs. per acre | Amount likely to be realised. (Rs. crores) |
|---------|---|--|---------------------------|-------------------|--|
| 1 | 2 | 3 | 4 | 5 | 6 |
| 1. | 0 — 1.25 | 10,000 | 50.0 | 3.0 | 21.90 |
| 2. | 1.25 — 2.5 | 19,182 | | | |
| 3. | 2.5 — 5.0 | 43,887 | | | |
| 4. | 5.0 — 7.5 | 37,988 | 100.0 | 6.0 | 39.00 |
| 5. | 7.5 — 10.0 | 27,564 | | | |
| 6. | 10.0 — 15.0 | 43,598 | | | |
| 7. | 15.0 — 20.0 | 27,708 | 150.0 | 9.0 | 63.90 |
| 8. | 20.0 and above | 89,163 | | | |
| Total . | | 2,99,090 | | | 231.6 |

*Source NSS—26th round (1971-72)

N.B.—Average rate of land revenue has been assumed to be Rs. 6 per acre (for all size groups) as indicated in the Fifth Five year Plan.

ANNEXURE III

(a) Details of IDA Assisted projects in Pipe line

| Name of the scheme | Assumed total cost (crores) | Assumed quantum of assistance (Rs. crores) |
|--|-----------------------------|--|
| <i>Fy. 1982 : (1981-82)</i> | | |
| 1. Gujarat Water Supply & Sewerage Project : . . | 106.00 | 48.00 |
| 2. Tamil Nadu Small Town Water Supply Project . . | 85.00 | 40.00 |
| 3. M. P. Water Supply & Sewerage Project : . . | 110.00 | 56.00 |
| | 301.00 | 144.00 |
| <i>Fy. 1983 : (1982-83)</i> | | |
| 4. Bihar Water Supply & Sewerage Project . . | 40.00 | 24.00 |
| 5. Haldia Water Supply & Sewerage Project . . | 43.40 | 20.00 |
| 6. Kerala Water Supply & Sewerage Project . . | 45.00 | 20.00 |
| | 128.40 | 64.00 |
| <i>Fy. 1984 : (1983-84)</i> | | |
| 7. Haryana Water Supply & Sewerage Project . . | 85.00 | 48.00 |
| 8. A. P. Water Supply & Sewerage Project . . | 70.00 | 36.00 |
| 9. Bombay Water Supply & Sewerage Project-III . . | 65.00 | 32.00 |
| 10. Madras City Water Supply Augmentation Scheme (Cauvery Canal Project) | 203.00 | 120.00 |
| | 423.00 | 236.00 |

N.B.—Projects included in the pipe line for World Bank Assistance and the total project cost & expected IDA assistance are highly tentative and are subject to availability of plan resources in the respective States plan and World Bank's final approval.

(b) *Details of On-going Projects (IDA)*

| Name of the scheme | Total cost (Rs. crores) | Quantum of Aid (Rs. crores) | Expected flow of Aid during 80-81 to 84-85 (Rs. crores) | Terminal Date |
|--|----------------------------|--------------------------------|---|---------------|
| 1. Bobay Water Supply & Sewerage Project-I | 158.20 | 44.00 | 4.87 | 30-6-80 |
| 2. Bombay Water Supply & Sewerage Project-II | 411.6 | 156.80 | 116.80 | 31-3-85 |
| 3. U.P. Water Supply & Sewerage Project. | 75.00 | 32.00 | 17.62 | 30-6-82 |
| 4. Punjab Water Supply & Sewerage Project | 77.6 | 30.40 | 27.26 | 31-3-83 |
| 5. Maharashtra Water Supply & Sewerage Project | 100.00 | 38.40 | 38.18 | 30-6-84 |
| 6. Rajasthan Water Supply & Sewerage Project | 164.00 | 64.00 | 46.00 | 30-6-85 |
| | | | 250.73 | |

The figures of flow of aid are only broad estimates and disbursements are dependent on certain inherent factors like availability of essential inputs to carry out the project, preparedness of the project authorities to carry out the component of the project etc, and are liable to change.

(c) *Details of Bilaterally Assisted Water Supply Projects.*

Several international donors are favourably inclined to provide assistance for water supply schemes—particularly in the rural sector, since such assistance is in line with the development aid policy of these countries. An important requirement for obtaining such assistance is that a full-fledged project report is prepared by the concerned State Government and is supported by the administrative Ministry and the Planning Commission for being posed to a foreign donor by the Department of Economic Affairs.

2. Besides the World Bank Group, the countries which are already supporting or are willing to support water supply projects are the FRG, Netherlands, Denmark, the European Economic Community (EEC) and Sweden. UNDP had also helped, till 1980, in making a pre-investment study for the Madras Metropolitan area for the Tamil Nadu Water Supply and Sewerage Works at a total cost of \$2.341 million (Rs. 1.87 crores). Certain hydro geological and artificial recharge studies are currently being undertaken by UNDP at Madras with a total outlay of about Rs. 0.69 crores.

3. In so far as the on-going bilaterally assisted water supply projects are concerned, the details are as follows:—

| No. | Project | State | Amount of bilateral assistance Donor Currency | Donor Country |
|-----------|---|----------------|---|---------------------------------|
| 1 | 2 | 3 | 4 | 5 |
| (Million) | | | | |
| 1. | U.P. Water Supply(I) (Allahabad, Varanasi & Rae Bareilly Districts) | U.P. | Dfl. 35.2 | Netherlands |
| 2. | Andhra Pradesh Water Supply | Andhra Pradesh | Dfl. 29.0 | Netherlands |
| 3. | Gujarat Water Supply | Gujarat | Dfl. 12.0 | Netherlands |
| 4. | Tamil Nadu Water Supply | Tamil Nadu | Danish Kroners 16.0 | Denmark |
| 5. | Karnataka Water Supply | Karnataka | ,, 19.7 | Denmark |
| 6. | Madhya Pradesh Water Supply Project (Phase-I) | Madhya Pradesh | DM 23 | Federal Republic of Germany. |

4. The expected drawals in respect of various on-going programmes against the above mentioned bilateral credits is likely to be as shown below:—

| | (Rs. crores) | | | | | |
|--------------------------------------|--------------------|---------|---------|---------|---------|---------|
| | Total | | | | | |
| | 1980-81 | 1981-82 | 1982-83 | 1983-84 | 1984-85 | 1980-85 |
| <hr/> | | | | | | |
| <i>Netherlands</i> | | | | | | |
| 1. U.P. Water Supply I | — | 5.00 | 5.00 | 2.00 | — | 12.00 |
| 2. Andhra Pradesh Water Supply | 3.00 | 5.00 | 2.00 | — | — | 10.00 |
| 3. Gujarat Water Supply | — | 2.40 | 1.20 | — | — | 3.60 |
| <i>Denmark</i> | | | | | | |
| 4. Tamil Nadu Water Supply | 1.37 | 0.63 | — | — | — | 2.00 |
| 5. Karnataka Water Supply | 1.68 | 0.26 | 0.26 | 0.30 | — | 2.50 |
| 6. Orissa Rural Water Supply Project | Under preparation. | | | | | |
| <i>FRG</i> | | | | | | |
| 7. M. P. Water Supply (Phase I) | 2.00 | 5.00 | 2.20 | — | — | 9.20 |

5. In addition to the above, the following projects are in the pipeline. The expected level of drawals against these projects is expected to be as given below:—

(Rs. crores)

| | 1980-81 | 1981-82 | 1982-83 | 1983-84 | 1984-85 | Total 1980-85 |
|---|---------|---------|---------|---------|---------|------------------|
| <i>Netherlands</i> | | | | | | |
| 1. U. P. Water Supply | — | 3.00 | 5.00 | 1.24 | — | 9.24 |
| 2. Himachal Pradesh Water Supply | — | 0.50 | 0.50 | — | — | 1.00 |
| 3. Kerala Water Supply | — | 2.40 | 4.11 | 3.18 | 1.16 | 10.85 |
| 4. Rajasthan (Jaipur Distt. Water Supply) | — | 0.57 | 1.09 | 1.36 | 1.36 | 4.38 |
| 5. Tamil Nadu Water Supply | — | 3.75 | 11.25 | — | — | 15.00* |
| <i>FRG</i> | | | | | | |
| 6. M.P. Water Supply (Phase II) | — | — | 4.00 | 5.20 | — | 9.20 |

*This is subject to the Netherlands agreeing to finance the full estimated project cost under their aid.

In addition to the projects mentioned in paragraph-5 above; two water supply projects in Himachal Pradesh and Assam have been tentatively posed to the EEC for coverage under their aid programme. The final decision of the EEC is awaited in regard to the Himachal Pradesh Project. The Assam Project would be taken up after the decision of the EEC in respect of Himachal Pradesh project is known.

SECTOR INVESTMENT
CONTRIBUTION BY VARIOUS AGENCIES

| Sl. No | State/U.T. | Urban Water Supply and Sewerage | | Rural Water Supply and Sewerage | | Remarks |
|--------|------------------|--|---|---|---|---|
| | | Central or State Govt. | Local bodies | Central or State Govt. | Local bodies | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1. | Andhra Pradesh | 33.3% | 66.7% (LIC loan to the local bodies) | Major portion as grant from State Govt. | Partially financed by the local bodies. | |
| 2. | Assam | Nil (Except 3 hill districts) | 100% | 100% | Nil | 3 hill districts. State Govt. contribute 100% for urban water supply & sewerage schemes. |
| 3. | Bihar | Water Supply 25% Grant-in-Aid 75% loans | Water Supply Nil | Water Supply 100% | Water Supply Nil | Loans are repayable over a period of 30 years. |
| | | Sewerage 50% Grant-in-Aid 50% Loans | Sewerage Nil | Sewerage N.A. | Sewerage N.A. | |
| 4. | Gujarat | Water Supply Grant 20 to 35% (depending upon the population) | Water Supply to 80% (depending upon the population) | Water Supply 100% | Water Supply Nil | Four city corporations borrow loans from LIC/ Commercial Banks also. |
| | | Sewerage Grant 35% to 55% (depending upon the population) | Sewerage 45% to 65% (depending upon the population) | Sewerage 100% | Sewerage Nil | |
| 5. | Haryana | (a) Grant/Loans 95% (including LIC loans) | 5% } | Grant 88% | 12% (through beneficiaries) | |
| | | (b) Grant/Loans 95% (No LIC loan) | 5% } | | | |
| 6. | Himachal Pradesh | 100% | Nil | 100% | Nil | Water Supply scheme except Simla Water supply scheme. |
| | | 25% | 75% | | | In case of Simla W/S scheme only. |
| | | Nil | 100% | No information available | No information available | Sewerage schemes |
| 7. | Jammu & Kashmir | 100% | Nil | 100% | Nil | |
| 8. | Karnataka | 90%(a) | 10%(a) | 100% | Nil | (a) For town less than 20,000 population. |
| | | 33.3%(b) | 66.7%(b) | | | (b) For town with more than 20,000 population - LIC loan to the concerned municipalities. |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|----------------------|--|---------------------------------------|--|--------------------------------|---|--|
| 9. Kerala . . . | 50% | 50% | 75% | 25% (as loan from State Govt.) | | |
| 10. Madhya Pradesh . | 100% | Nil | N.A. | N.A. | | For Urban W/S schemes in towns having population below 20000. |
| | 80% | 20% | — | — | | For urban W/S schemes in towns having more than 20000 population. |
| 11. Maharashtra . | Govt. Grant 23½% to 50% (depending upon the size of the community) LIC loans 40% to 66½% | 10% (Beneficiaries) | Govt. Grant 90% (of which max. upto 50% may be from LIC as loan) | 10% (Beneficiaries) | | |
| 12. Manipur . . . | 100% | Nil | 100% | Nil | | |
| 13. Meghalaya . . . | N.A. | N.A. | N.A. | N.A. | | Asked for from State Deptt. |
| 14. Nagaland . . . | 100% | Nil | 100% | Nil | | |
| 15. Orissa . . . | Water Supply (a) 33.33% (b) 100% (In case of Govt. residential colonies or public sector undertakings) | Water Supply 66.67% Nil | Water Supply 100% | Water Supply Nil | | |
| | Sewerage N.A. | Sewerage N.A. | Sewerage N.A. | Sewerage N.A. | | |
| 16. Punjab . . . | 65% | 15% Investment 20% as loan from Govt. | 100% (Excepting cost of land) | Land is contributed. | | |
| 17. Rajasthan . . . | Govt. Grant Nil Govt. Loans 100 % | Nil Nil | Grant 97.5% | 2.5% | | |
| 18. Sikkim . . . | 100% | Nil | 100% | Nil | | |
| 19. Tamil Nadu . . . | 100% | Nil | 70% | 30% | | |
| 20. Tripura . . . | 57.5% | 42.5% | 100% | Nil | | For urban W.S.S. the State Govt. gives 100% excepting Agartala Municipal water supply schemes. The percentage contribution shown in Cols. 3 & 4. |
| 21. Uttar Pradesh | 75% | 25% | N.A. | N.A. | | For urban water supply schemes. |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|-----|----------------------|--------|--------|------|------|--|
| 22. | West Bengal . . . | 66.67% | 33.33% | 100% | Nil | For urban water supply and sewerage schemes within CMD Area 100% grant-in-aid. The contribution of local bodies are generally written off. |
| 23. | A&N Islands . . . | — | — | — | — | |
| 24. | Arunachal Pradesh . | N.A. | N.A. | N.A. | N.A. | Asked for from the U.T. Deptt. |
| 25. | Chandigarh . . . | 100% | — | — | — | |
| 26. | Delhi | 100% | Nil | 100% | Nil | |
| 27. | Dadra & Nagar Haveli | N.A. | N.A. | N.A. | N.A. | |
| 28. | Goa, Daman & Diu | 100% | — | 100% | — | |
| 29. | Lakshadweep . . . | 100% | Nil | 100% | Nil | |
| 30. | Mizoram | 100% | Nil | 100% | Nil | |
| 31. | Pondicherry | 100% | Nil | 100% | Nil | |

Note : N.A. :—Information not available at present.

